

Message Text

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17

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-06 NEA-09 IO-10 ISO-00 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 FEA-01 OIC-02 AF-06 /131 W

----- 022674

R 050805Z MAY 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 77

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

USMISSION USEC BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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PASS STR

EO 11652: NA

TAGS: ETRD, GATT

SUBJ: MTN: NTM SUBGROUP ON QUANTITATIVE RESTRICTIONS -- IMPORT LICENSING PROCEDURES

REF: MTN GENEVA 3173

1. SUMMARY: NTM SUBGROUP ON QUANTITATIVE RESTRICTIONS (ORS) AGREED TO USE TWO DRAFT TEXTS ON IMPORT LICENSING PROCEDURES AS BASIS FOR FURTHER WORK. WRITTEN COMMENTS PROPOSING AMENDMENTS TO TEXTS, AND RASONS FOR SUCH PROPOSALS, TO BE SUBMITTED TO SECRETARIAT FOR DISTRIBUTION PRIOR TO SUBGROUP'S NEXT MEETING IN SEPTEMBER. END SUMMARY.

2. IMPORT LICENSING PROCEDURES CONSIDERED INTERMITTANTLY DURING MEETING OF NTM SUBGROUP ON QRS (REFTEL). IN OPENING STATEMENT US (KELLY) DISTINGUISHED BETWEEN DISCRETIONARY LICENSING, WHICH IS INTENDED TO RESTRICT IMPORTS AND IS A FORM OF QUANTITATIVE RESTRICTION (OR), AND IMPORT LICENSING PROCEDURES, WHICH ARE SUPPOSED TO BE PURELY ADMINISTRATIVE IN NATURE. LICENSING PROCEDURES FALL INTO TWO GENERAL CATEGORIES: AUTOMATIC IMPORT LICENSING AND LICENSING TO ADMINISTER IMPORT RESTRICTIONS. US REGARDS "AUTOMATIC" LICENSING AS UNNECESSARY RED TAPE AND OPPORTUNITY, SOMETIMES USED, TO RESTRICT TRADE. SUCH SYSTEMS SHOULD BE ELIMINATED THROUGH AGREEMENT ON TEXT (ALTERNATIVE II, PARA 2, ANNEX I, APPENDIX 2, MTN/NTM/W/2) PROPOSED BY US IN GATT COMMITTEE ON TRADE IN INDUSTRIAL PRODUCTS (CTIP). US SUPPORTED BY YUGOSLAVIA, BRAZIL, NEW ZEALAND, SPAIN, HONG KONG AND KENYA. CANADA AND AUSTRALIA, WHILE GENERALLY SUPPORTING US ON AUTOMATIC LICENSING, BELIEVED THAT IN CERTAIN CASES SUCH SYSTEMS MIGHT BE USED AS AN ALTERNATIVE TO RESTRICTIVE IMPORT CONTROLS.

3. WITH REGARD TO LICENSING TO ADMINISTER IMPORT LIMITED OFFICIAL USE

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RESTRICTIONS, US COMMENTED THAT DRAFT TEXT DEVELOPED IN CTIP (ANNEX II, APPENDIX 2, MTN/NTM/W/2) WAS DESIGNED TO PREVENT SUCH LICENSING FROM IMPEDING TRADE. WHILE NOTING IMPERFECTIONS, US SUGGESTED THAT WORK BE BASED ON THIS TEXT.

4. EC (ABBOTT, BESELER), SUPPORTED BY NORDICS, AUSTRIA, AND SWITZERLAND, AGREED THAT THE TWO DRAFT

TEXTS BE USED AS THE BASIS FOR FURTHER WORK. THESE
DELS NOT WILLING TO ACCEPT US PROPOSAL FOR ELIMINATION
OF AUTOMATIC LICENSING, STATING THAT CERTAIN ELEMENTS
OF CURRENT WORLD ECONOMIC SITUATION JUSTIFY THE USE
OF AUTOMATIC LICENSING FOR SURVEILLANCE PURPOSES,
PARTICULARLY IN CASES WHERE RISK OF MARKET DISRUPTION
IS PRESENT. EC AND OTHERS LINKED ANY SOLUTION ON
AUTOMATIC LICENSING WITH WORK ON SAFEGUARDS.

5. SEVERAL DEVELOPING COUNTRIES, ECUADOR (FOR ANDEAN
COUNTRIES), MEXICO, BRAZIL, INDIA, ARGENTINA, AND
NIGERIA BELIEVED THAT THE DRAFT TEXTS DID NOT ADE-
QUATELY REFLECT THEIR INTERESTS, IN PART DUE TO THE
FACT THAT THEY HAD NOT PARTICIPATED ACTIVELY IN THE
CTIP WORK. THEY MADE A NUMBER OF SPECIFIC COMMENTS
AND SUGGESTED CHANGES IN THE TEXT ON LICENSING TO
ADMINISTER IMPORT RESTRICTIONS. THEY ALSO SUGGESTED
THAT BOTH TEXTS BE AMENDED TO INCLUDE THE PRINCIPLE
OF EXTENDING DIFFERENTIATED AND PREFERENTIAL TREAT-
MENT TO DEVELOPING COUNTRIES.

6. YUGOSLAVIA, JAPAN, CZECHOSLOVAKIA, SUPPORTED
BY US, STRONGLY ARGUED THAT LICENSING SHOULD NOT BE
USED TO DISCRIMINATE AMONG SOURCES OF SUPPLY. EC,
AUSTRIA, AND NORDICS, SUGGESTED THAT IN SITUATIONS
INVOLVING INJURY TO DOMESTIC INDUSTRY, SELECTIVITY IN
THE APPLICATION OF IMPORT RESTRICTIONS MAY BE DESIRABLE.
CANADA POINTED OUT THAT ANY SUCH SELECTIVITY SHOULD
RELATE TO THE RESTRICTIONS THEMSELVES RATHER THAN
TO THE LICENSING PROCEDURES USED TO IMPLEMENT THEM.

7. THE SUBGROUP AGREED THAT BOTH TEXTS SHOULD BE
THE BASIS FOR FUTURE WORK AND THAT COUNTRIES WISHING
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TO SUGGEST CHANGES TO THE TEXTS SHOULD DO SO IN
WRITING. PROPOSED CHANGES TO BE CONSIDERED AT
NEXT MEETING OF QR SUBGROUP IN SEPTEMBER.
HARTZELL

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 05 MAY 1975
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Disposition Case Number: n/a
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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05 JUL 2006

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TAGS: ETRD, GATT, MTN
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